



## *The President's Daily Brief*

*7 July 1972*

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*FOR THE PRESIDENT ONLY*

THE PRESIDENT'S DAILY BRIEF

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PRINCIPAL DEVELOPMENTS

North Vietnamese  
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South Vietnamese main force units are consolidating their positions near Quang Tri City, but the Communists may be readying counterattacks farther south. (Page 2)

A joint Cambodian - South Vietnamese operation aimed at reopening an important stretch of the highway between Saigon and Phnom Penh that has been held by the enemy since April is now under way. (Page 3)

President Marcos now claims he wants no major alterations in the US-Philippine treaties, but he may have difficulty calming the public furor over the issue that he instigated. (Page 4)

The meeting this week between Chancellor Brandt and President Pompidou failed to end the deadlock in preparations for the EC summit this fall. (Page 5)

Chile's opposition Christian Democrats have forced President Allende to capitulate on his proposed constitutional reforms that would have legalized further nationalization of private enterprises. (Page 6)

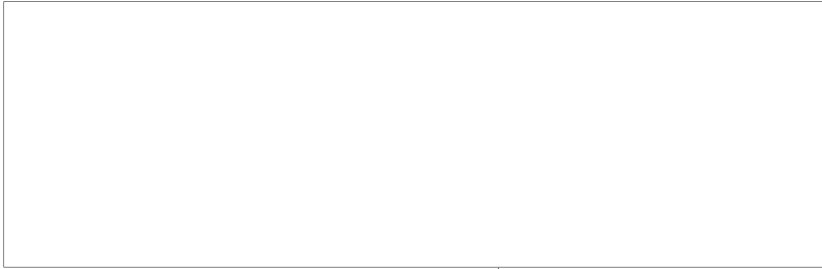
Military support for Argentine President Lanusse may be weakening. (Page 7)

Fidel Castro is home again after a two-month trip through Africa and Eastern Europe that was capped by a ten-day stay in the USSR. (Page 8)

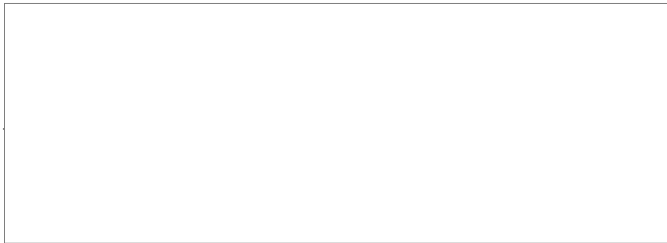
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**NORTH VIETNAM**



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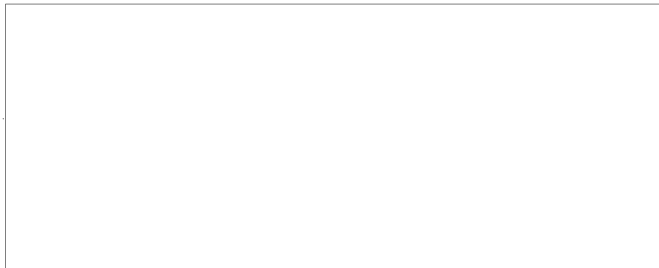
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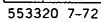


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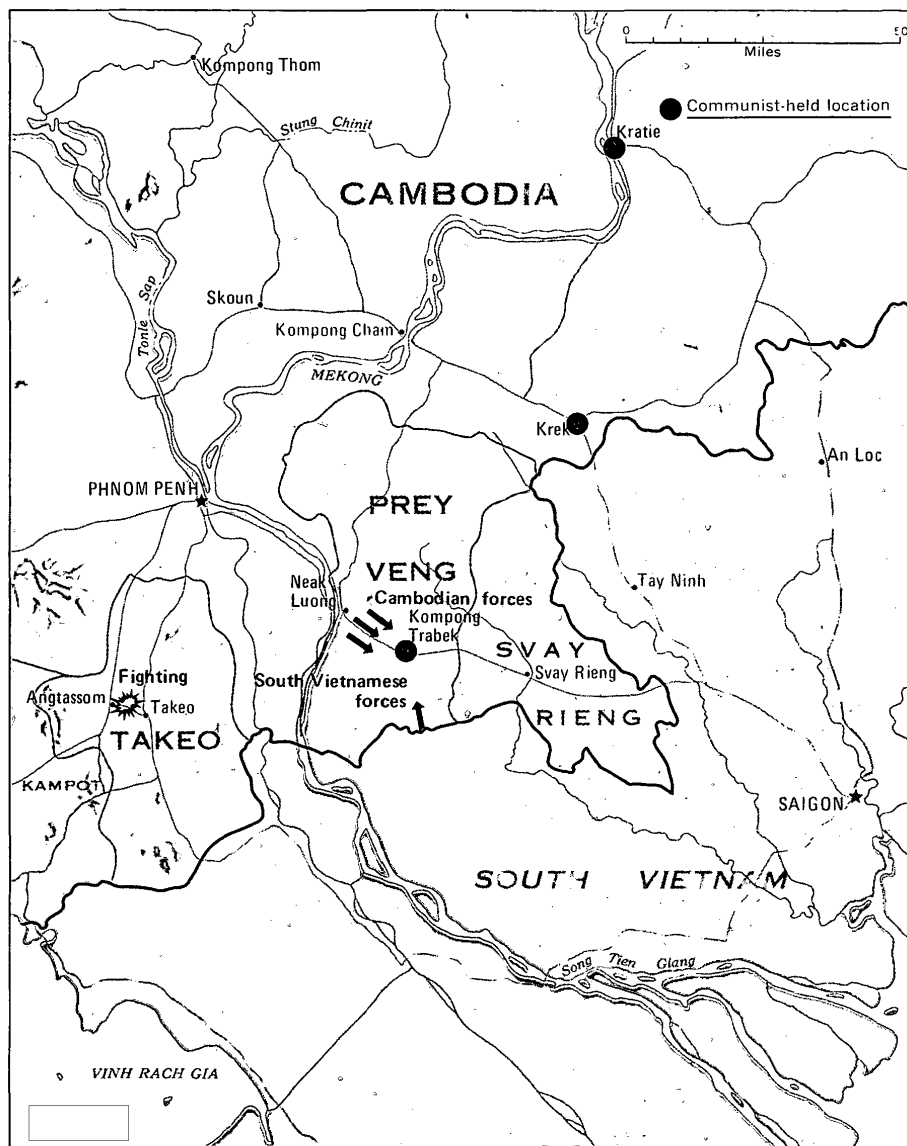
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VIETNAM

Government forces have begun consolidating their positions near Quang Tri City. The main elements of the South Vietnamese Marine and Airborne brigades are a few miles south and east of the provincial capital; advance airborne elements are in the city. Fighting in the area was light during the past 24 hours, with most of the enemy action directed against the western flank of the government force.

Farther south, enemy intercepts show Communist preparations for counterattacks against government strongpoints extending from the My Chanh defense line to Hue. The headquarters of the North Vietnamese 304th Division has been detected moving south into Thua Thien Province where it could direct attacks behind the line.

Elements of a North Vietnamese regiment have been ordered to attack Fire Support Base Bastogne, which guards the western access route to Hue. Other intercepts refer to the deployment of artillery and personnel to new positions west of Hue. Artillery attacks against Hue and government positions west of the city have been increasing. Yesterday, Hue was struck by over 100 rounds, and government bases south and west of town were heavily shelled.



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## CAMBODIA

Government forces and South Vietnamese units, moving from different directions, are trying to reopen a stretch of Route 1, the main highway between Phnom Penh and Saigon. Fourteen Cambodian Army battalions and one armored squadron moved eastward on 4 July from their Mekong River base at Neak Luong in a three-pronged drive toward the Communist-controlled town of Kompong Trabek. At the same time a regiment of South Vietnamese Rangers supported by heavy artillery and another armored squadron began advancing northward from the South Vietnam border toward Kompong Trabek. At last report, lead elements of the Cambodian force had moved to within a few miles of the town without meeting any enemy opposition. Enemy intercepts show that the Communists apparently knew of the operation at least two days in advance.

*The operation is Phnom Penh's most ambitious military undertaking since the beginning of the rainy season; it is also the first sizable operation conducted with the South Vietnamese in more than a year.*

*The Communists have held Kompong Trabek since late April, when they also took a score of other government positions along Route 1. Although no Communist main force units are known to be in the immediate vicinity of Kompong Trabek, the enemy may feel compelled to shift some units from the South Vietnam delta or from nearby Svay Rieng Province to the Kompong Trabek region in order to protect Communist supply and infiltration routes.*

South of Phnom Penh in Takeo Province, the Communists are still thwarting efforts to relieve an embattled government battalion at Angtassom. Five Cambodian battalions from nearby Takeo City remain pinned down by Communist troops a few miles east of Angtassom, which was hit by heavy enemy shelling yesterday. The government has received reports that Communist reinforcements from Kampot Province may be heading for the Angtassom-Takeo area.

*Communist pressure in this sector may be designed to open new supply lines as well as to tighten their political control over the surrounding countryside.*



## FOR THE PRESIDENT ONLY

## PHILIPPINES

In a private discussion with Ambassador Byroade on 5 July, President Marcos said that despite inflammatory press stories calling for drastic changes in the US-Philippine treaty relationships, he personally did not want major modifications in the treaties. Marcos suggested that both sides name top-level negotiating panels in December with the expectation that final decisions would be reached by next February or March.

*The treaties first became a hot domestic issue in early June when Marcos sought to divert public attention from his shady political tactics by publicly calling into question the future of US bases in the Philippines. The ploy succeeded so well that Marcos may now find it difficult to calm the public furor he has helped to create. His task is complicated by the activities of opposition political leaders, whose sweeping criticisms of American involvement in the Philippines continue to make headlines in Manila. On Tuesday, Marcos announced that discussion of US bases in the Philippines would be eliminated from the agenda of the National Security Council meeting today. Instead, the council will discuss Philippine participation in the Southeast Asia Treaty Organization, another potentially contentious issue.*

**FOR THE PRESIDENT ONLY**

**WEST GERMANY - FRANCE**

The meeting between Chancellor Brandt and President Pompidou in Bonn this week did nothing to advance preparations for the EC summit scheduled for this fall. Although both leaders shied away from calling off the summit, Pompidou continues to make French participation conditional on the acceptance of French demands in the monetary field, something Brandt refuses to do. Paris contends the community must work out common positions on the role of gold and special drawing rights, the problem of sterling and dollar balances, and dollar convertibility.

*Although Brandt would like the summit to take place as scheduled, he appears determined not to be cast in the role of supplicant.*

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*Foreign ministers of the present and prospective EC members will meet on 19 July to discuss a summit agenda. We doubt that the differences between France and its partners will be resolved at this meeting, but we believe that continuation of the deadlock would lead to a postponement of the summit rather than its cancellation.*

*FOR THE PRESIDENT ONLY*

CHILE

President Allende has bowed to the opposition Christian Democrats on a major political issue. Since mid-June Allende had been negotiating with them in search of a compromise on a constitutional reform measure passed by Congress defining the government's role in the national economy. Last week the Christian Democrats walked out of the talks rather than accept Allende's proposed changes which would have legalized further nationalization of private enterprises. On Wednesday the President, faced with the certainty of an adverse vote on his proposals in the Senate, capitulated and withdrew his changes.

*Whether Allende now signs the original measure or submits other objections, he has suffered a significant setback in his continuing struggle with the opposition. The Christian Democrats appear to have concluded, at least for the present, that forceful opposition will bring more political dividends than conciliation. In another recent maneuver, they have provided critical backing for impeachment charges against Interior Minister Del Canto.*

## FOR THE PRESIDENT ONLY

## ARGENTINA

There are indications that military support for President Lanusse is weakening. On 4 July General Rey, air force commander in chief, publicly criticized Lanusse's handling of important issues, including the role of the air force in the government. Apparently reacting to reports that Lanusse plans to continue as president beyond 1 January 1973, Rey demanded that Lanusse stick to the agreement made at the time the present junta seized power; that agreement called for the rotation of power among the three services, and for the air force to take over on that date.

General Rey also claimed that the military high command had not authorized the recently disclosed secret talks between Lanusse's private emissary and ousted dictator Peron in April 1971. General Lopez Aufranc, the powerful III Corps commander in Cordoba, also reportedly claims to have had no knowledge of the conversation.

*Lanusse had hoped to block speculation about a secret agreement with Peron by releasing a transcript of the conversations. Nevertheless, Rey's criticism could arouse the still strong anti-Peron sentiment in all three services.*

*Most top officers want to move away from direct military rule and are therefore reluctant to upset Lanusse's plans for an orderly transition to elected government. Their concern over continuing economic problems and the rising level of civil violence--combined with the fear of a Peronist return to power and the dissatisfaction of the air force--could, however, create pressure for a move against Lanusse.*

FOR THE PRESIDENT ONLY

CUBA-USSR

Premier Fidel Castro returned to Cuba yesterday following a ten-day stay in the USSR at the end of a two-month trip through Africa and Eastern Europe. In the final communiqué, Moscow endorsed the Cuban demand for "unconditional removal of the Guantanamo Naval Base"--an endorsement that represents little change from previous Soviet statements--and the Cubans praised Moscow's peaceful foreign policy line. No new aid agreements were announced

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*Despite Castro's effusive praise of the Soviets, we doubt that Moscow completely allayed his suspicions that Cuban interests may have been undermined in the course of President Nixon's visit to the USSR. The communiqué stated that the Soviets "reported" on the summit contacts, but carried no Cuban comment on those meetings.*

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